STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

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STATE OF ALASKA NOTICE OF PROPOSED EXTENSION TO THE TERM OF THE NIKOLAEVSK UNIT AGREEMENT

The Department of Natural Resources gives notice under 11 AAC 83.311 of the proposed extension to the term of the Nikolaevsk Unit Agreement. The Nikolaevsk Unit is located on Kenai Peninsula uplands in the upper drainages of the Chakok River and Clam and Stariski Creeks, between the North Fork Unit and Deep Creek Unit, near the unincorporated community of Nikolaevsk. The Unit Operator, Union Oil Company of California, whose address is 3800 Centerpoint Drive, Suite 100, Anchorage, Alaska 99503, has requested an extension to the term of the unit agreement, until March 31, 2012.

The Nikolaevsk Unit covers approximately 2,560 acres in 3 State of Alaska oil and gas leases including all or portions of the following lands:

T4S-R13W, S.M., Sections 5-8;

The extension will be approved if consistent with 11 AAC 83.303 and other applicable statutes.

You may review the non-confidential unit files at the Division of Oil and Gas, Units Section, 550 West 7th Avenue, Suite 1100, Anchorage, Alaska. Copies of the non-confidential portions of the unit files are available by writing the Division of Oil and Gas, Units Section, 550 West 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3560. The department charges a photocopy fee of \$.25 per sheet. 11 AAC 05.010 (a)(16)(c).

Any person may file written comments on the proposed extension. Comments must be received by Monday, April 25, 2011, and should be mailed to the Division of Oil and Gas, at the above address, to the attention of Temple Davidson, Units Section. The department will review and consider all timely written comments before a decision is made. The Commissioner will approve or disapprove the proposed unit extension considering the criteria in 11 AAC 83.303 after the close of the comment period.

Kevin R. Banks, Director

Division of Oil and Gas

March 18, 2011